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Cancorp

THE MOLSON COMPANIES
LIMITED

ANNUAL REPORT 1974

Beaver Home Centres are synonymous with service and quality merchandise.

Molson brands are making major market share gains.

Self-service gasoline dispensing equipment achieves increasing market acceptance.

Office supply production at Anthes Business Forms.

Seaway/Midwest provides a total service to its business and government customers.

Craftsmanship is the hallmark of Vilas home furnishings.

Anthes Equipment's products are in use at construction sites coast-to-coast in Canada.

The Molson Companies Limited and Subsidiary Companies

Incorporated under the laws of Canada

Head Office 1555 Notre Dame Street East, Montreal, Quebec H2L 2R5

Executive Office 2 International Boulevard, Toronto, Ontario M9W 1A2

Registrar National Trust Company, Limited – Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

Transfer Agent The Royal Trust Company – Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver

Auditors Coopers & Lybrand

Financial Highlights

Operations (millions of dollars)	**1974**	1973
Sales	**$616.1**	$522.2
Net Earnings	**21.9**	22.0
Financial position (millions of dollars)		
Working capital	**104.3**	72.3
Long-term debt	**79.6**	51.2
Shareholders' equity	**150.0**	138.9
Per common share		
Net earnings	**1.60**	1.62
Dividends	**.80**	.80
Shareholders' equity	**10.98**	10.18

Contents

The annual meeting of the shareholders will be held at the Head Office of the company, 1555 Notre Dame St. E., Montreal, Quebec, on June 27, 1974 at 11 :30 a.m. EDT.

Si vous préférez recevoir ce rapport en français, veuillez vous adresser au Secrétaire, case postale 1600, Place d'Armes, Montréal, Québec H2Y 3L3.

Directors

*T. H. P. Molson, Montreal
Honorary Chairman of the Board

*Hon. H. deM. Molson, Montreal
Chairman of the Board

W. R. Allen, Toronto
President and Chief Executive Officer
The Dominion Realty Company Limited

*J. T. Black, Toronto
President

*W. P. Frankenhoff, New York
Chairman, William E. Hill & Company, Inc.

†Donald S. Harvie, Calgary
Senior Vice President, Petrofina Canada Ltd.

T. E. Ladner, Vancouver
Partner, Ladner Downs, Barristers and Solicitors

†Roger Létourneau, Quebec
Partner, Létourneau, Stein, Marseille, Delisle and LaRue, Barristers and Solicitors

*†Morgan McCammon, Toronto
Senior Vice President, Corporate Services

*A. G. McCaughey, Toronto
Senior Vice President, Finance

H. C. F. Mockridge, Toronto
Partner, Osler, Hoskin & Harcourt
Barristers and Solicitors

*Gérard Plourde, Montreal
Chairman of the Board, UAP Inc.

J. D. Riley, Winnipeg
President, Dominion Bronze Limited

F. H. Sobey, Stellarton
Chairman of the Board, Sobeys Stores Limited

N. E. Whitmore, Regina
President, Wascana Investments Limited

*D. G. Willmot, Toronto
Deputy Chairman of the Board

*Member of the Executive Committee
†Member of the Audit Committee

Officers

T. H. P. Molson, Honorary Chairman of the Board
Hon. H. deM. Molson, Chairman of the Board
D. G. Willmot, Deputy Chairman of the Board
J. T. Black, President
J. P. G. Kemp, Senior Vice President, Commercial Products and Services Group
David Lakie, Senior Vice President, Retail Merchandising Group
P. B. Stewart, Senior Vice President, Brewing Group
Morgan McCammon, Senior Vice President, Corporate Services
A. G. McCaughey, Senior Vice President, Finance
K. A. F. Gates, Vice President, General Counsel
W. J. Gluck, Vice President, Corporate Development
D. A. Heeney, Vice President, Corporate Communications
J. B. Jolley, Vice President and Secretary
Zotique Lespérance, Vice President
L. R. Sinclair, Vice President and Controller
H. E. C. Stoneham, Vice President, Human Resources
D. B. Macaskill, Treasurer
Godfroy Marin, Solicitor and Assistant Secretary

Directors' Report to the Shareholders

Left to right: D. G. Willmot, Deputy Chairman; J. T. Black, President; The Honourable H. deM. Molson, Chairman of the Board.

While satisfactory growth in sales was achieved by the company in its fiscal year ended March 31, 1974, earnings before income taxes were lower. This reduction resulted from higher costs in brewing, increased expense levels in most of our businesses, increased costs associated with opening new Beaver Home Centres, and higher interest rates on borrowed money. The rate of income tax was lower, however, particularly on that portion of our earnings derived from manufacturing and processing. Net earnings for the year were slightly below that of the previous year.

Financial results

Consolidated sales amounted to $616,162,000, an increase of 18 per cent over sales of $522,238,000 reported last year.

Net earnings for the year were $21,928,000 or $1.60 per share compared with last year's $22,022,000 or $1.62 per share, based on the average number of shares outstanding during each year.

Quarterly dividends declared during the year totalled 80 cents per share, unchanged from the year before.

Working capital of $104,297,000 at year-end was increased substantially from $72,338,000 last year. The largest part of this increase was derived from the receipt on April 16, 1973 of the proceeds of sale of $30,000,000 sinking fund debentures arranged privately in February 1973. This issue bears interest at 8¼ per cent and

matures in 1995.

During the year, $10,426,000 was received from the sale of certain warehouse and office properties to a newly-formed company in which your company holds a 50 per cent interest. The properties sold will continue to house the company's operations under long-term leases.

Shareholders' equity increased in the year to $150,037,000 at year-end or $10.98 per share compared with $138,905,000 or $10.18 per share a year earlier. There were 14,134 shareholders at fiscal year-end, compared with 13,988 a year ago.

The favourable effect of the Government's reduction of income tax on earnings from manufacturing and processing operations should be noted. Earnings have benefitted by some $2,000,000 and these funds have been applied to the growth of our businesses. Employment by the company in its various businesses reflects this growth. In the year under review, we have added more than 1,000 people to the payrolls of our present businesses, bringing total employment at year-end to close to 11,000.

Operations

Detailed commentary on each group's operations is presented elsewhere in this report; however, we believe you will find the following operating highlights of interest.

Brewing

Revenue from the sale of beer amounted to $296,236,000, an increase of 13.7 per cent over the previous year. It was a year of good growth for the brewing industry in Canada, with volume up 5.4 per cent. Molson achieved over half the industry's gain, however, so that our volume increased by 9.5 per cent and our market share moved to an all-time high.

Notwithstanding this excellent performance in the marketplace, earnings contributions were below the level of the previous year. In common with the brewing industry we faced markedly higher costs for malting barley, packaging materials and labour. In particular, the price of barley almost doubled during the year and continues at the higher level. The need to increase beer prices to recover materials and other cost increases was evident throughout the industry and approvals were sought in each province to advance prices.

Forward contracts for the supply of barley were exhausted in December last so that the full impact of higher costs was reflected in the final quarter. New labour agreements became effective in our two largest breweries on January 1 of this year and other contractual increases took effect elsewhere during the year.

Provincial government approvals of price increases in major markets were slow in coming – not until February 15 in Ontario, for example – so that final quarter earnings from brewing were substantially below those of the same period a year ago. Since the fiscal year-end, further price increases have been put into effect in Quebec and Nova Scotia.

The costs of new equipment and construction also continue to increase, raising to unprecedented levels the capital required to add to plant capacity.

Earnings margins continue to be under the pressure of inflated costs and further price increases will undoubtedly be necessary in the relatively near-term in order to maintain acceptable margins.

Retail Merchandising

Sales of the Retail Merchandising Group were $174,607,000, 33 per cent higher than the sales level achieved last year. Contributing significantly to this strong growth in sales were the new stores, both Beaver Home Centres and Saveway, as well as good growth from the established stores.

Substantial progress was made in the year to establish the Group as the leading retailer in Canada devoted to serving the home hardgoods retail market. Refurbishing and broadening the lines of established stores continued and four new large Beaver Home Centres were opened, including one "Le Castor Bricoleur" in Montreal, Beaver's first Home Centre entry in the major Quebec market.

Acceptance by consumers of the Home Centre concept and the products offered is evidenced by the satisfactory level of sales – with the major stores ahead of our sales growth plans. However, net earnings contribution was lower, reflecting the initial expenses of growth, including pre-opening costs related to new stores incurred and written off in the year, which exceeded by $1,250,000 the level of such expense absorbed last year.

Other businesses

Sales of those divisions serving the office environment with business forms, furniture, equipment and supplies were well ahead of the previous year, with increased earnings contributions. Both sales and earnings of our school supply business, on the other hand, were at about the level of the previous year.

The demand for household furniture was buoyant throughout the year and the successful operation of a second casegoods furniture plant for Vilas helped move shipments of home furniture to a level 50 per cent above that of the previous year. Earnings from these sales rose to a very satisfactory level.

The construction industry in Canada was active and healthy during the year and both sales

and earnings contributions from our businesses serving this industry rose significantly, and in particular, the sale of water heaters and the sale and rental of scaffolding and related construction equipment.

During the year, the company's foundry operations were sold. In addition to recovering some $8,000,000, which resulted in a small gain, substantial new investment necessary to modernize the foundries did not have to be made.

Although revenues from our warehousing and distribution operations increased during the year, the increase was not proportional to the additional rental space added during the year. Customers' inventories declined with the result that billings were lower, and this, coupled with higher operating expenses, significantly reduced earnings.

Sales and earnings of petroleum marketing equipment were below the previous year, particularly in the United States where the decrease reflects reduced industry activity, though our share of market actually improved.

Capital expenditures

The need to provide new and expanded facilities for the company's growth resulted in expenditures on capital assets totalling $34,278,000 in the year, a new high level. The largest part of this amount was for increased brewing capacity to meet the demands of the market, and for the expansion of our retailing activities.

Our continuing growth plans call for capital expenditures in fiscal 1975 of $42,000,000. Brewing will require the largest part of this amount, with new packaging facilities in St. John's and Toronto, additional storage and fermenting capacity in Toronto, and a warehouse in Lethbridge being the major new projects. Several new Beaver Home Centres, expansion of capacity at Vilas' plant in Cowansville, Quebec, and sizable spending on delivery vehicles and materials-handling equipment will highlight the balance of our capital spending.

Directors

H. N. Bawden, who had served with distinction as a Director of this company since 1968 and prior to that for many years as a Director of Anthes Imperial Limited, did not stand for reelection at the last Annual Meeting of Shareholders. We were pleased that Mr. W. R. Allen, Q.C., of Toronto was elected to the Board to fill this vacancy.

Officers

At the meeting of the Board held on June 28, 1973 D. G. Willmot, who had served the company as President since 1968, became Deputy Chairman of the Board and Chairman of the Executive Committee; and J. T. Black, previously Executive Vice President, was elected President.

L. R. Sinclair, C.A., who has held senior accounting positions in Canadian industry, joined the company in August last as Vice President and Controller.

W. J. Gluck, who had previously served as a Division Head and a member of Corporate staff, was appointed Vice President, Corporate Development, succeeding Eric H. Molson who became President of Molson's Brewery (Ontario) Limited.

Change of the company's name

At last year's Annual General Meeting, the shareholders approved a change in the name of the company from Molson Industries Limited to The Molson Companies Limited. The new name became effective on July 16, 1973.

Outlook

In the year ahead, it is clear that inflationary pressures and rising interest rates will continue to place constraints on real growth in the Canadian economy. On the other hand, it must be said that for the foreseeable future, in common with most Canadian industry, Molson plants and facilities are expected to be operating at capacity to meet a continuing high level of market demand.

In this period of economic and political uncertainty, our present range of businesses, with their different sales patterns at consumer and trade levels, should continue to provide new sales and earnings opportunities, as well as safety factors against adverse economic pressures in any one area.

Despite the major challenge of coping with inflationary pressures from all sides, we are confident that we will see growth in both sales and earnings in the year ahead.

On behalf of the Board:

677-5400

700,000

H. deM. Molson,
Chairman of the Board

major ($35-million)
2 → variables
industry estim
$2.5 million

J. T. Black,
President
May 23, 1974

Brewing Group

SALES:
1974 $296.2 million
1973 $260.5 million

Highlights

Sales of the Canadian brewing industry in the year ended March 31, 1974 reflected the continuing growth in consumer acceptance of beer. Compared to the previous year, industry sales volume increased 5.4%.

During the same period, Molson's sales revenue increased 13.7% and volume increased 9.5% to a record level of 5,300,000 barrels. The higher growth rate of revenue is due to changes in geographic and package mix, and to moderate price increases late in the year. The volume increase, which accounted for more than half of the industry's total growth, represents the largest volume gain ever achieved by Molson Breweries in a single year.

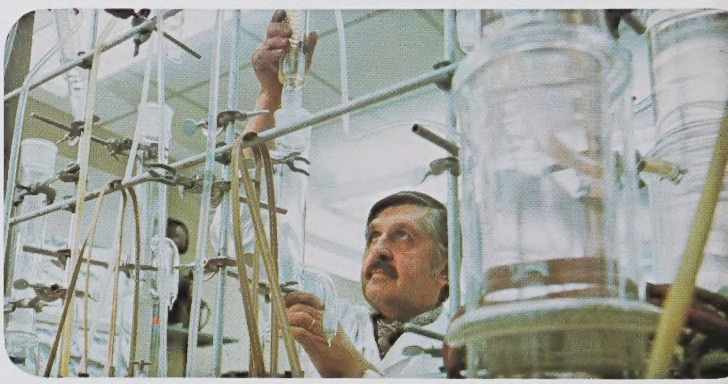
Despite Molson's excellent rate of sales growth, profit margins were reduced by unprecedented increases in raw materials and packaging costs. Price adjustments in some provinces during the latter stages of the year helped to alleviate the effects of some of the more recent material cost increases.

Golden fields shown here yield kernels of the finest Canadian barley, which together with the choicest hops (right), give Molson beers and ales their distinctive flavour.

A Molson brewer checks the first step in the making of a brew — the preparation of the barley malt in a stainless steel mashing vessel.

Operations

To keep pace with rising consumer demand for Molson products, the company is currently engaged in the largest capacity expansion program ever undertaken in its 188-year history. Some $16 million was spent last year to enlarge existing production facilities, increasing the total capacity of our nine breweries by just over a half million barrels.



Molson master brewers and researchers are internationally recognized for their contributions to advancing the art of brewing.

Expert taste panels provide one of the tests of the quality and consistency of Molson products.

Virtually all breweries, from St. John's to Vancouver, were involved in the expansion program with the largest projects being at the Montreal, Toronto and Winnipeg breweries. At the Montreal brewery, construction of a 160,000 square foot packaging and distribution complex is due for completion late in 1974. The new facility will provide a complete warehousing and distribution service, as well as space for future expansion of the brewery's packaging operations. The Montreal brewery also increased its bottling capacity during the year, adding a 1200 per minute bottling line.

In Toronto, construction of an 80,000 square foot packaging and warehousing wing was almost completed by year-end and will begin operations in mid-summer. At the same time, the installation of an additional 1200 per minute bottling line increased the Ontario brewery's total packaging capability by 42% to 4000 bottles per minute.

In Winnipeg, a new 450-barrel capacity brewhouse is in the final stages of construction and will begin operations this summer.

Despite these major increases in production capability, it is anticipated that all Molson breweries will operate at close to peak capacity again in fiscal 1975. As a result, further expansion will continue over the coming year, with planned capital expenditures in excess of $26 million.

The current round of inflation, which has been widely felt across Canada, significantly affected the operations of the brewing industry. Of particular importance to brewers is the high price of malting barley, which almost doubled during the year under review. Costs of distribution, packaging and raw materials have all registered sharp increases in the past 12 months. Since further cost increases are anticipated, increased emphasis is being placed on maximizing efficient use of materials and production facilities. While these measures, along with productivity gains provided by introduction of new technology within the capital expansion program, will help to offset some of the higher costs, further price increases will be required to maintain satisfactory profit margins during the coming year.

Beer is gaining popularity at all social levels in licensed establishments, and in the home.

Marketing

Continued and effective marketing programs, executed and controlled at regional and local levels were a major factor in Molson's excellent sales performance last year. The combination of these programs, the skills of our people and the

Miniature fermenting tanks in the Montreal pilot brewery are used to develop new products and to test brewing techniques.

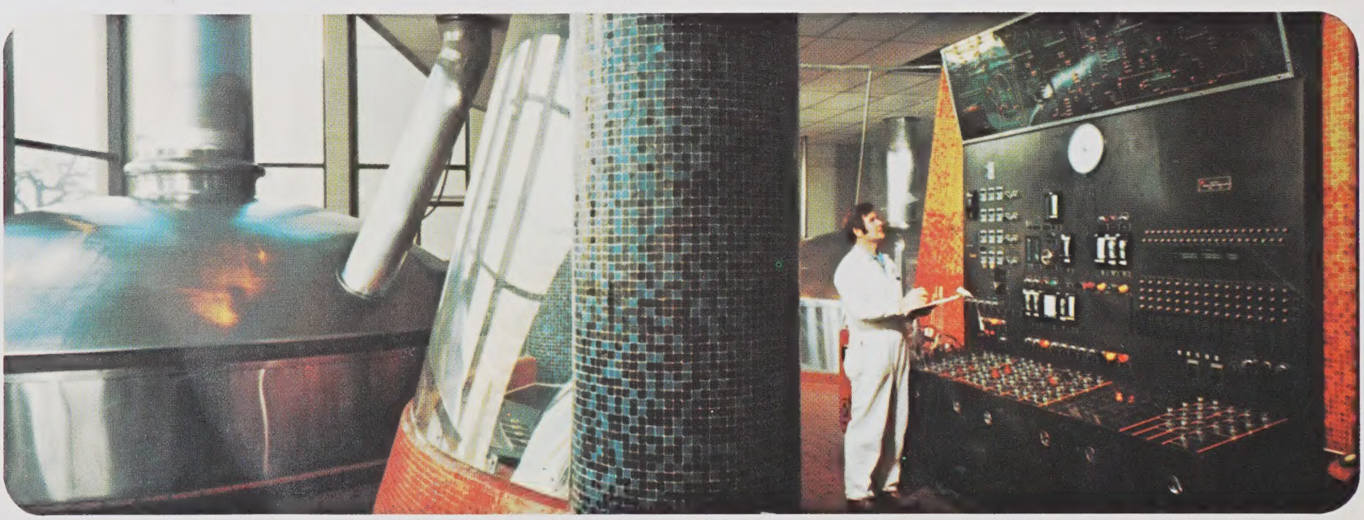
quality of our products, resulted in the company's national market share being significantly increased, despite an environment of intense competition and the initial impact of several competitive brand introductions.

For the 15th consecutive season, in those provinces where legislation permits, Molson commercials were featured on "Hockey Night in Canada". This top-rated television program played a key role in Molson's continuing share of market improvement.

Sales promotion programs, stressing involvement of our employees at the local community level helped sustain the company's marketing momentum.

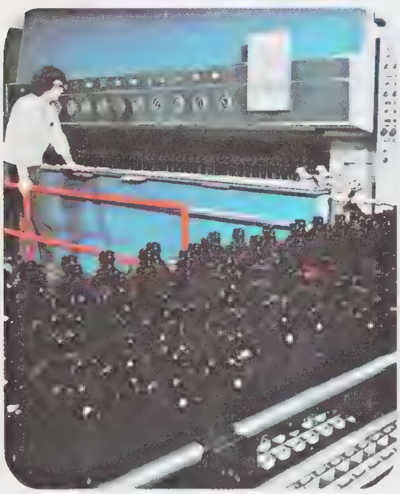
Long service is characteristic of many Molson employees. Here in the Prince Albert, Sask., brewery is the Beck family: son, Ron, Jr., foreground, and Ron, Sr.

In the current fiscal year, Molson will launch a major program associated with amateur sport and the 1976 Summer Olympic Games. The program will feature a series of publications and



Molson's Vancouver brewery is equipped with modern brewing facilities, such as this master control panel and stainless steel brew kettle.

a fleet of Molson "Olympian" exhibition vans, which will tour the country promoting Canada's commitment to the Olympic spirit, amateur sport and physical fitness.



Minimizing waste and pollution, 95% of the bottles used by the Canadian brewing industry are returned to the brewers and sterilized by modern equipment for refilling.

Favourable consumer response to these kinds of programs, and to the company's advertising, together with the effective support provided by its experienced sales force, is reflected in the excellent market performance of Molson's national and major regional brands. Growth in demand for our national brands, "Molson Canadian Lager Beer" and "Molson Export Ale", has been gratifying. At the same time, "Laurentide Ale" in Quebec, "Golden Ale" in Ontario, "Old Style", "Pilsner" and "Bohemian" in Western Canada and "India Beer" in Newfoundland continue to enjoy widespread popularity.

International operations

Molson's marketing success last year was not confined to domestic operations. For the third consecutive year, Molson exports to the United States increased significantly with a 55% volume gain in the year just ended. Molson products are marketed in the United States by Martlet Import-

Retailing takes many different forms in the Canadian brewing industry. In Quebec, Molson brands are sold through more than 14,000 independent retail outlets.

ing Co. Inc., a wholly-owned subsidiary headquartered in Great Neck, New York.

In addition to Martlet, Molson also participates in the U.S. market through its major interest in The Rainier Companies Inc., a leading brewery

More than 2,700 men and women across Canada contribute a wide range of skills and talents to Molson's brewing operations.

in the Pacific Northwest market, headquartered in Seattle, Washington. Last year, Rainier's earnings were affected by the same inflationary pressures that reduced the margins of the Canadian brewing industry. The U.S. government's Phase III economic controls prevented increases in beer prices until the last half of the year. Sales of fine wines produced by the Robert Mondavi Winery in California, in which Rainier has a substantial interest, continued to increase.

Retail Merchandising Group

SALES: 1974 $174.6 million
1973 $131.2 million

Highlights

The Retail Merchandising Group's sales of $174,607,000 were up 33% over last year, reflecting strong consumer acceptance of the Group's innovative and aggressive merchandising concepts. However, increased expenses associated with the rapid expansion program to meet market demands resulted in reduced earnings.

Currently, the Group operates a total of 261 retail outlets. Retail square footage increased over 30% during last year.

Capital expenditures for new stores and expansion and refixturing of existing stores totalled $8 million.

Beaver – Four major new "Home Centres" were opened; five medium-sized Beaver stores were modernized, expanded and refixtured; a new urban market was entered by acquisition; nine lumber yards in small rural markets in Western Canada were closed.

Saveway – Ten stores were added to its operations. These included two new outlets; two by acquisition, and six through conversion of existing Beaver stores.

Beaver Homes – Sales of manufactured homes grew by over 47% from an already substantial base.

Aikenhead – This Division had a satisfactory sales and earnings year.

In the current fiscal year, the Retail Merchandising Group's plans for new stores and improvements to existing stores, will require the expenditure of $9 million.

Two years after introducing the Home Centre concept, Beaver today operates 26 "Home Centres" in key urban markets.

Facilities

In the two years since the acquisition of the companies which now comprise the Retail Merchandising Group, much progress has been made in the development and refinement of home hardgoods retailing techniques, particularly in the evolution of the Beaver "Home Centre" concept. Essentially, "Home Centres" are a "total service" supermarket approach to the home improvement market, with a broadened appeal to women shoppers.

Until the late 1960's, Beaver Lumber outlets were operated largely in rural areas of Canada west of the Quebec border. The stores catered to the home handyman and commercial builders.

Both the Saveway and Beaver Home Centre chains moved into new markets last year. Saveway entered the Saskatchewan and B.C. markets and Beaver opened its first Home Centre in Quebec.

In the past two years, the thrust of Beaver's expansion program has been directed at Canada's growing metropolitan markets which today account for 67% of Canada's households. Today Beaver is operating 26 Home Centres in most key urban markets in Canada. Eight of these are entirely new facilities, ranging in size from 35,000 to 54,000 square feet of selling area. Of the remainder, sized from 10,000 to 35,000 square feet, three are new stores, five are enlarged and modernized, and the balance are former lumberyards or hardware stores which have been converted into Home Centres by

Floor coverings, Beaver brand paints, wood panelling and hardware are just a few of the products found in the 15 departments that make up every major Home Centre.

modernization and the addition of a wide range of home improvement products.

The first of the big 50,000 square foot Home Centres were opened simultaneously in March 1973 in Bramalea, outside Toronto, and in Calgary. In the fiscal year just ended, four large stores were opened in Vancouver, Winnipeg, Windsor and Montreal.

In May of this year, two more large Home Centres opened in the Montreal area under the name "Le Castor Bricoleur" and a fourth is currently under construction. Other major Home Centres are planned for fiscal 1975 in Hamilton, Scarborough and Mississauga in Ontario; and Calgary, and Victoria in the West.

Expansion of existing facilities will provide medium-sized Home Centres in Oakville, Brantford, Sarnia, Lethbridge, Red Deer and a second location in Hamilton.

Saveway will continue its expansion into new geographic areas through acquisition, conversion of existing Beaver stores, and building entirely new units.

Last year, Saveway entered the Saskatchewan and B.C. markets, and broadened its representation in Ontario. Outlets were opened in Sudbury, Thorold, Windsor and Exeter in

A wide selection of prefabricated windows and doors for cottages and residential homes makes shopping easy the Beaver way.

Ontario; Saskatoon, Saskatchewan; and Ladner, Langley, White Rock, Burnaby and Surrey in British Columbia.

Marketing

Home Centres are designed to offer a wide range of lumber and building materials along with hardware, floor coverings, paint and wall coverings, as well as other home related hardgoods, such as plumbing and electrical fixtures.

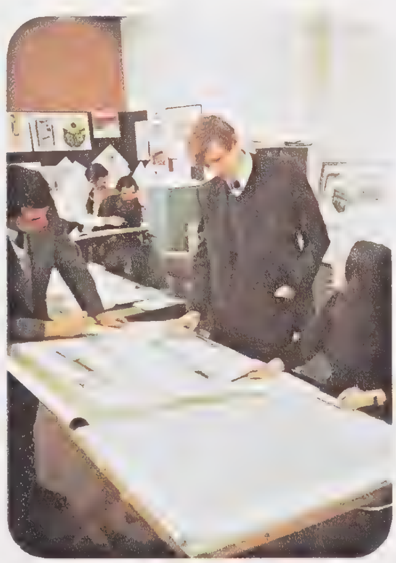
A department store type layout provides for easy identification of basic lumber and hardware areas. Specialty merchandise such as fireplace equipment, gourmet kitchenware, wickerware, bathroom accessories and gift items are displayed in individualized boutique environments.

Private label "Beaver" products have been introduced in the past year and include paint and paint sundries, wallpaper, tools, adhesives, and insulation, to name a few.

Aside from the normal promotional advertising associated with retailing, Beaver has used "Hockey Night in Canada", to introduce the product range and service concept of the Home Centre to the public.

Beaver people

Since late in 1971, when Beaver was acquired, more than 1,200 people have been added to the organization, with primary emphasis at the



Retail Merchandising's store planning department is involved in every aspect of store design.

"Boutiques" of special appeal to women shoppers are used to display specialty merchandise such as wickerware, lighting fixtures, bath accessories, and gourmet kitchenware.

retail level. At the same time, the company has introduced a professionally designed and administered in-store training program. As a result, the Group, in a relatively short period, has made remarkable strides in building and integrating an employee force dedicated to Beaver's well-known tradition of customer service and to establishing on a national scale a new concept in home hardgoods merchandising.

Distribution

The rapid development of major new stores, and the vastly enlarged range of Beaver merchandise in older stores has also demanded new and more efficient warehousing and distribution facilities. In a cooperative development with Molson's warehousing subsidiary, Seaway/Midwest Ltd., Beaver is now the principal customer of Seaway/Midwest's new 450,000 square foot Carrier Drive facility in northwestern Toronto.

Saveway

This Division operates primarily as a "cash and carry" retail service to the customer who places more emphasis on price and less on service and product variety. Saveway stores also serve as distribution points for lumber and plywood products for urban Home Centres. Ten Saveway stores were added through acquisition, conversion or construction during the year; six of which are located in Western Canada. One more store has been acquired in Ontario since the end of the fiscal year.

Beaver Homes Division

The Division offers a complete line of architecturally designed, manufactured residential and vacation homes. The principal components, roof trusses, exterior and interior wall sections, are manufactured at plants in Milton, Ontario; Yorkton and Saskatoon, Saskatchewan; Edmonton, Alberta; and Vancouver, B.C., and delivered to the home site for erection. Products for the completion of the home, such as flooring, roofing, doors, windows, kitchens, paint, plumbing and electrical are supplied through our retail outlets.

Because these homes are sold through the retail stores, they make a substantial contribution to the profitability of the Retail Merchandising Group.

Aikenhead Hardware

Toronto's new Prince Hotel and the Bank of Canada building in Ottawa were but two examples of architectural hardware contracts handled by this division in the past year. Aikenhead also operates Hobbs Hardware, a wholesale hardware business located in London, Ontario.

Fireplace accessory shops like this one in the new Beaver Home Centre in Windsor have proven highly successful with the public.

Commercial Products & Services Group

SALES: 1974 $116.7 million
1973 $97.3 million

Highlights

Sales revenues for the Commercial Products and Services Group were $116.7 million, up 20% over the previous period. All divisions in the Group had an active year, including full production of new manufacturing facilities for Vilas Industries Limited at Thurso, Quebec, and for Anthes Business Forms Limited in Brampton, Ontario. Two new distribution centres and seven new retail stores were opened by Willson Business Services Limited, and Office Specialty Inc. opened a new distribution centre, and showroom facilities, in Toronto. Seaway/Midwest Ltd. brought three new distribution warehouses into operation in Moncton, Montreal and Toronto.

Following capital additions last year of over $9 million, mainly in increased furniture plant capacity and new distribution facilities in several divisions, additional expenditures of $5 million are planned in the current fiscal year.

Office & Educational Products

Anthes Business Forms Limited enjoyed excellent growth during the year. Sales of rotary forms, filing and consumable supplies increased some 25%, and earnings improved substantially over a year ago. A new 100,000 square foot file folder and printing plant in Brampton, Ontario, which opened early in 1973, contributed to the division's operations and earnings improvement.

Although paper shortages may restrict Anthes Business Forms' growth during the current fiscal year, demand for rotary forms, which account for a high proportion of sales, is expected to increase substantially. Since the fiscal year-end, the company's manufacturing capability has been strengthened by the purchase of the assets of Haig Printing and Office Supplies Limited, Toronto, which have been integrated into the operations of Anthes Business Forms Limited.

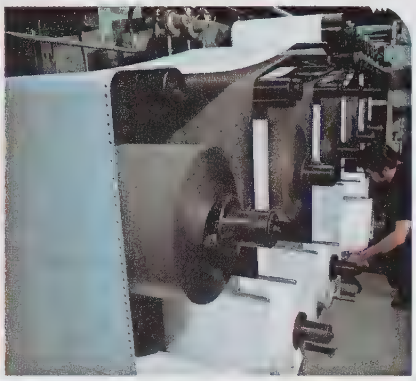
Office Specialty Inc. experienced strong sales demand during the year, but earnings were affected by material shortages and escalating material costs. During the year, Office Specialty completed the integration and re-engineering of all existing lines of steel furniture and introduced its new Danos II and Danos III lines of office furniture, which are receiving good acceptance.

The company's move into a new national distribution centre in Toronto and excellent new Toronto and Winnipeg branch offices and

Willson's last year entered the Ontario retail office supplies market.

showrooms, has improved the competitive position of Office Specialty. Although material shortages and manufacturing costs may continue to create problems in the current fiscal year, the demand for office furniture and supplies is strong and Office Specialty sales are expected to grow.

Sales and earnings of Moyer Vico Limited, Canada's foremost manufacturer of school furniture and leading distributor of educational products, were affected by declining primary school enrolments and cutbacks in educational spend-



(Top left) Moyer Vico markets some 7,000 educational products, including metric teaching aids. (Top right) Rotary forms production by Anthes Business Forms in Mimico, Ontario. (Bottom) Office Specialty's new Toronto showroom, which was designed by the company's Office Planning Services division.

ing, especially in Ontario, its major market. Despite these problems, however, both sales and earnings were at the levels of the previous year.

Moyer Vico's first "Teachers' Store", which was opened last year in Toronto, has been well received by teachers in the area. As a result, two more stores, in Vancouver and Moncton, have been opened in more recent months.

Willson Business Services Limited, one of Canada's leading distributors of office products and supplies, continued to expand its retail and commercial marketing facilities. New distribution centres were opened in London and Saskatoon and seven new retail stores opened in major markets across Canada. In the current fiscal year, new distribution centres will be opened in Vancouver and Ottawa and new retail stores in Vancouver, Edmonton and Calgary.

Willson sales increased significantly over the

The full line of Vilas home furniture is displayed in new showrooms opened last year in Montreal and Toronto.

previous year with major gains coming from its traditional markets in Western Canada. The profitability of the company has improved since its purchase two years ago and, in the coming year, it is expected that this trend will continue.

Home Furniture

Our home furniture divisions, Vilas Industries Limited and Deluxe Upholstering Limited, operated at full capacity throughout the year, and recorded substantial gains in sales and earnings.

With its full range of fine quality rock maple furniture, Vilas set new sales and production records in the past year. Shipments of wooden furniture, which account for a substantial portion of sales, were up 45% over the previous period, while shipments of upholstered goods, lamps and accessories also showed impressive gains.

To further strengthen Vilas' image with consumers as Canada's leading manufacturer of fine

"La-Z-Boy's" popularity with Canadian consumers grows.

colonial-traditional furniture, the company launched a national print advertising campaign, and opened permanent showrooms in Montreal and Toronto.

More production from the Thurso, Quebec, plant, which opened in January, 1973, combined with increased flow from the Cowansville plant, should help to alleviate the present heavy backlog of orders for Vilas products.

Deluxe Upholstering Limited, producing the popular "La-Z-Boy" chair, also expanded its production facilities last year when it took over Moyer Vico's Elmira, Ontario plant in March, 1973, for the assembly of frames.

In addition to new styles in the "La-Z-Boy" product line, Deluxe introduced a new line of swivel-rocking chairs under the "La-Z-Rocker" trade name. Initial dealer response has been favourable and full scale production of the new line has now begun. To increase consumer awareness of the full range of "La-Z-Boy" products, a permanent showroom was opened last year at Toronto's International Trade Centre.

With added manufacturing capacity at Elmira and increased efficiencies at its main plant in Waterloo, Ontario, Deluxe is ready to meet the increasing demand for its products. Further sales and earnings increases for our home furniture divisions are anticipated in the coming year.

Construction Products & Services

Anthes Equipment Limited and John Wood Company Limited both achieved significant improvements in sales and earnings, during the year.

Use of three of Anthes Equipment's major construction products: scaffolding, shoring and safety fencing, with Toronto's new 1,800 ft. CN Tower in the background.

In addition to water heaters, galvanized steel storage tanks are manufactured by John Wood Company Limited for use in applications such as water treatment, storage and softening systems.

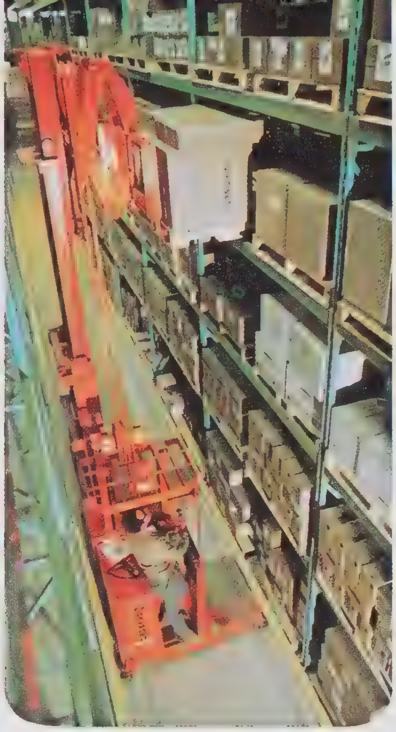
Reflecting the high level of construction activity in most major urban centres, these divisions enjoyed an excellent year and were able to strengthen the position they hold in their respective markets.

Throughout the year, the demand for Anthes Equipment's principal rental products – tubular steel scaffolding, shoring and safety fencing – continued at a high rate. At the same time, an aggressive sales program resulted in improved sales of other products, such as construction type heaters, mechanical hoists and protective materials.

A number of major contracts contributed to Anthes Equipment's strong sales performance last year. Most notable were the Jen Peg hydro-electric project in Northern Manitoba and the Velodrome being built in Montreal for the 1976 Olympic Games. Anthes' high-load shoring equipment is in extensive use on both these projects.

John Wood Company Limited, Canada's leading manufacturer of residential water heaters, improved its already strong market position during the year, with sales some 15% higher than the previous year.

It is anticipated these divisions will experience another good year in fiscal 1975.



Advanced materials-handling equipment in Seaway/Midwest's new Carrier Drive Distribution Centre maximizes storage space use.

Warehousing & Distribution

Seaway/Midwest Ltd., Molson's public warehousing and distributing arm, was adversely affected by last summer's rail strike, declining finished goods inventories and increasing labour costs. Although revenues increased significantly over the previous period, earnings performance was well below expectations.

Looking to the future growth potential of this business in serving both private industry and government, Seaway/Midwest continued to expand its national chain of distribution centres. In total, 665,000 square feet of new warehousing space was added during the year with the opening of major distribution centres in Moncton, Montreal and Toronto, bringing the total to 19 coast-to-coast, having a total of more than three million square feet.

A major development in the year was the completion and start-up of the Carrier Drive Distribution Centre in Toronto. This facility of 450,000 square feet will provide a complete distribution system servicing Beaver's chain of Home Centres, in addition to general warehousing for industry and government customers.

It is expected that operations will return to the previous level of profitability in the coming year following recent rate increases and the return of manufacturers' inventories to normal levels.

Petroleum Marketing Equipment Division

Sales and earnings of the Bennett Pump Division, world-wide, were down considerably from the previous year due to the effect of widespread shortages of crude oil and gasoline. The impact on Bennett's profitability was felt particularly in the important U.S. market.

To reduce its dependence on the gasoline pump market and in response to oil industry demands for more economical and efficient retailing methods, Bennett has under way an active product development program. Last year new lines of electronic self-service gasoline dispensing equipment, and re-styled and re-engineered conventional equipment were introduced to the market.

Bennett gasoline pumps are marketed in some 75 countries.

At the same time, Bennett's operating expense levels have been reduced to enable the division to improve its performance when the market improves.

The company has also strengthened its international base, with the acquisition of a minority interest in the export firm of Hockman-Lewis Limited of East Orange, New Jersey. This company operates as exclusive international sales agent for a number of major U.S. companies, and has represented Bennett for many years.

(Left) Three new Bennett products feature electronic metering.
(Right) Precision-machined brass metering components.

Molson and the Community

Molson's commitment to community service is as vigorous today as it was in its earliest years. Recognizing that no business can isolate itself from the society it serves, the company contributes to a wide range of social and community improvement programs.

These include local United Way campaigns, university building funds, and a broad spectrum of local and regional community programs and innovative projects.

To provide increased awareness of local community needs, the company last year established a new philanthropic fund, The Molson Companies Donations Fund. It is administered by a national committee and several regional committees which are made up of employees from every area of the company. The regional committees play a particularly significant role in this process since the company strongly believes that local citizens are best able to assess the needs of their individual communities.

Two Vancouver students, left, interview a resident of Powell River, B.C., as part of a program for young people to study Canada's urban institutions. The program is sponsored by the Canada Studies Foundation, of which the company is a supporter.

Over the summer of 1973, the company sponsored a number of programs, as illustrated on this page, which were directed at the physical and intellectual development of young Canadians. The programs not only allowed the young participants to help themselves but also provided them with an opportunity to contribute to their communities on their own behalf.

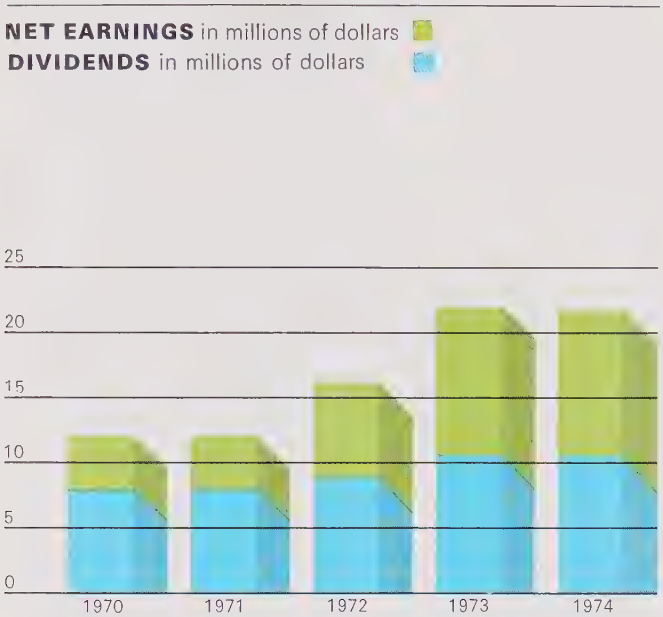
Last year, The Molson Companies responded to the needs of some 450 agencies and organizations in Canada.

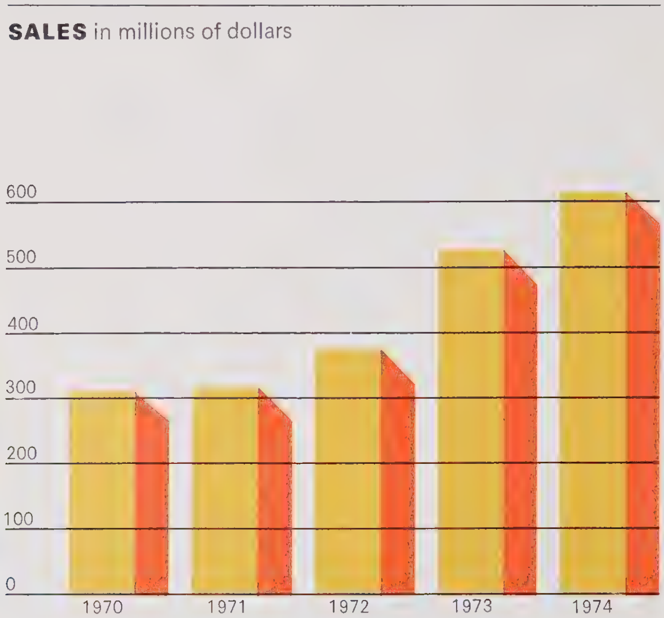
Company employees participate in a variety of community programs. Ray Morton, a Molson sales representative in Alberta, is currently serving as Public Relations Director for the Lethbridge/Southern Alberta 1975 Canada Winter Games Committee. As part of its contribution to the Games, the company will pay Ray's salary and expenses during his one-year assignment.

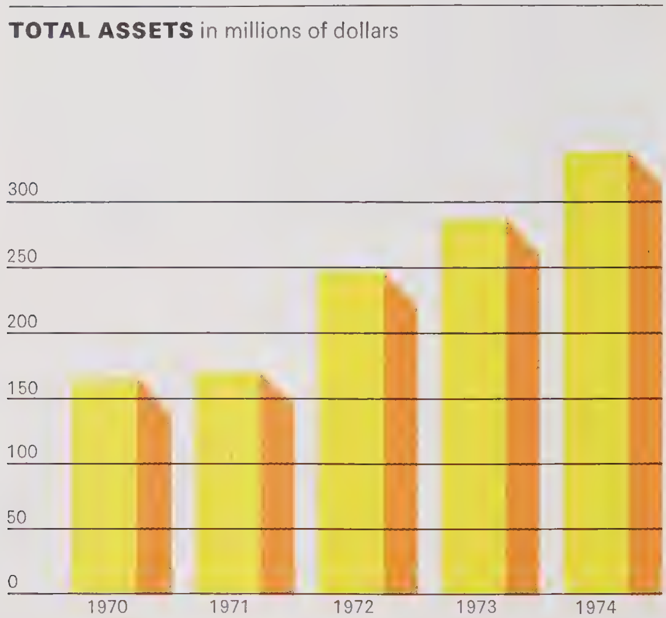
Each year, Molson provides summer employment for as many as 1,000 high school and university students. Here, a university student learns an aspect of quality control on the bottle inspection line at the Toronto brewery.

Among the community services Molson supported last year was the Educational Sound Recordings for the Blind, a Montreal program in which student readers transcribe French-language textbooks onto cassette tape.

The Molson Companies Limited







Consolidated Statement of Earnings

The Molson Companies Limited

YEAR ENDED MARCH 31	1974	1973
Revenues		
Sales and revenues	$616,162,000	$522,238,000
Investment income	2,102,000	1,279,000
Equity in earnings of other companies	326,000	212,000
	618,590,000	523,729,000
Costs and Expenses		
Cost of sales, selling and administrative costs and brewing excise and sales taxes	561,760,000	465,763,000
Depreciation	11,552,000	9,929,000
Interest on long-term debt	6,468,000	4,141,000
Other interest	1,066,000	984,000
	580,846,000	480,817,000
Earnings Before Income Taxes	37,744,000	42,912,000
Income taxes	15,625,000	20,600,000
	22,119,000	22,312,000
Minority interest	271,000	294,000
Net Earnings Before Extraordinary Items	21,848,000	22,018,000
Extraordinary items (note 12)	80,000	4,000
Net Earnings for the Year	$ 21,928,000	$ 22,022,000
Earnings Per Share		
Average number of shares	13,653,000	13,592,000
Net earnings – before and after extraordinary items	$1.60	$1.62

Consolidated Statement of Retained Earnings

YEAR ENDED MARCH 31	1974	1973
Balance – beginning of year	$ 91,600,000	$ 80,456,000
Net earnings for the year	21,928,000	22,022,000
	113,528,000	102,478,000
Dividends on common shares	10,915,000	10,878,000
Excess of purchase price over fair value of assets acquired	465,000	—
	11,380,000	10,878,000
Balance – end of year	$102,148,000	$ 91,600,000

Consolidated Balance Sheet

The Molson Companies Limited

AS AT MARCH 31	1974	1973
Assets		
Current Assets		
Cash and short-term investments	$ 4,084,000	$ 7,157,000
Accounts receivable	67,325,000	51,088,000
Inventories (note 3)	124,497,000	91,835,000
Prepaid expenses	2,850,000	2,238,000
	198,756,000	152,318,000
Investments (note 4)	13,520,000	12,480,000
Fixed Assets (note 5)		
Land, buildings and equipment	247,053,000	231,473,000
Accumulated depreciation	115,206,000	112,123,000
	131,847,000	119,350,000
Unamortized Debenture Discount and Expenses	1,193,000	990,000
	$345,316,000	$285,138,000

Signed on Behalf of the Board:

H. deM. Molson, Director

D. G. Willmot, Director

	1974	1973
Liabilities		
Current Liabilities		
Bank indebtedness	$ 28,131,000	$ 18,279,000
Accounts payable	52,294,000	36,371,000
Income taxes	2,695,000	13,943,000
Excise and sales taxes	7,989,000	7,991,000
Dividends payable	2,695,000	2,693,000
Current instalments on long-term debt	655,000	703,000
	94,459,000	79,980,000
Long-term Debt (note 6)	79,656,000	51,249,000
Minority Interest – (including preferred shares $4,534,000; 1973 $4,762,000)	4,899,000	5,290,000
Income Tax Allocations Relating to Future Years	13,493,000	9,714,000
Deferred Income (note 7)	2,772,000	—
Shareholders' Equity		
Capital Stock (note 8)	47,889,000	47,305,000
Retained Earnings	102,148,000	91,600,000
	150,037,000	138,905,000
	$345,316,000	$285,138,000

Auditors' Report to the Shareholders

We have examined the consolidated balance sheet of The Molson Companies Limited and subsidiaries as at March 31, 1974 and the consolidated statements of earnings, retained earnings and source and use of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at March 31, 1974 and the results of their operations and the source and use of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

COOPERS & LYBRAND
Chartered Accountants

Montreal, May 23, 1974.

Consolidated Statement of Source and Use of Funds

The Molson Companies Limited

YEAR ENDED MARCH 31	1974	1973
Source of Funds		
Net earnings for the year	$ 21,928,000	$ 22,022,000
Depreciation	11,552,000	9,929,000
Income tax allocations relating to future years	3,974,000	1,228,000
Other	245,000	360,000
Funds from operations	37,699,000	33,539,000
Issue of:		
Long-term debt	29,716,000	2,105,000
Common shares	584,000	1,950,000
Sale of fixed assets	12,913,000	1,663,000
	80,912,000	39,257,000
Use of Funds		
Dividends	10,915,000	10,878,000
Purchase of:		
Fixed assets	34,278,000	24,244,000
Investments	1,040,000	1,067,000
Minority interest	662,000	989,000
Acquisition of interest in subsidiaries	465,000	—
Repayment of long-term debt	1,593,000	1,903,000
	48,953,000	39,081,000
Working Capital		
Increase in the year	31,959,000	176,000
At beginning of year	72,338,000	72,162,000
At end of year	$104,297,000	$ 72,338,000

Notes to Consolidated Financial Statements

1. Accounting policies

Consolidation
The accounts of all subsidiaries have been consolidated. Purchase accounting principles have been followed for subsidiaries acquired except for Anthes Imperial Limited in 1968 which was on the basis of pooling of interests.

Foreign Exchange
Earnings of foreign subsidiaries have been translated at the average rates of exchange during the year. Current assets and current liabilities have been translated at the rate at March 31 and other balance sheet accounts and related depreciation have been translated at the rates on the dates of acquisition. The resulting exchange gains or losses are included in the Consolidated Statement of Earnings.

Inventories
Inventories are valued at the lower of cost and net realizable value.

Investments
Companies which are 50% owned are carried on the equity method. Companies which are less than 50% owned and are effectively controlled are carried on the equity method with effect from April 1, 1973, resulting in additional earnings of $91,000. Other investments are carried on the cost basis.

Fixed Assets
Fixed assets are carried at cost. Depreciation is provided on the straight-line method for buildings and equipment.

2. Business combinations
During the year, five businesses were acquired for cash and have been consolidated on the basis of purchase accounting.

Net Assets Acquired:	
Net tangible assets at fair value	$4,240,000
Excess of purchase price over fair value of assets acquired	465,000
	$4,705,000

3. Inventories

	1974	1973
Finished goods	$ 90,851,000	$62,407,000
Work in process	16,311,000	12,769,000
Raw materials and supplies	17,335,000	16,659,000
	$124,497,000	$91,835,000

4. Investments

	1974	1973
Mortgages and loans, at cost	$ 3,954,000	$ 4,189,000
Investments, at equity	3,350,000	2,572,000
Other investments, at cost	6,216,000	5,719,000
	$13,520,000	$12,480,000

Investments include marketable shares carried at $7,155,000 (1973: $6,553,000) which have a quoted value of $9,050,000 (1973: $9,000,000).

5. Fixed assets

	1974	1973
Land	$ 21,350,000	$ 22,010,000
Buildings	86,607,000	86,841,000
Equipment	127,379,000	118,908,000
Construction in progress	11,717,000	3,714,000
	247,053,000	231,473,000
Accumulated depreciation	115,206,000	112,123,000
	$131,847,000	$119,350,000

6. Long-term debt

	1974		1973	
	Current	Total	Current	Total
Sinking Fund Debentures:				
8¼% maturing in 1991		$40,000,000		$40,000,000
8¼% maturing in 1995		30,000,000		
6% maturing in 1982	$156,000	3,186,000	$189,000	3,409,000
5¼% convertible maturing in 1989		2,736,000		3,079,000
8¾% maturing in 1988		1,000,000		1,000,000

Note 6 continued page 24

	1974 Current	1974 Total	1973 Current	1973 Total
First Mortgage Bonds:				
5.8%-11½% maturing in 1986	68,000	725,000	83,000	1,369,000
Notes Payable:				
5¾% repayable by 1985		2,000,000		2,000,000
Sundry	431,000	664,000	431,000	1,095,000
	$655,000	80,311,000	$703,000	51,952,000
Current instalments		655,000		703,000
		$79,656,000		$51,249,000

Principal payments required during the next five fiscal years are:
1975 – $655,000; 1976 – $443,000; 1977 – $482,000; 1978 – $2,580,000; 1979 – $2,632,000.

7. Deferred income

Certain properties were sold to a 50% owned company for $10,426,000 and were leased back for 25 years. The gain of $2,799,000 is being amortized over the term of the lease and $27,000 was amortized in 1974.

8. Capital stock

Authorized: convertible common shares without par value
15,000,000 Class "A"
7,000,000 Class "B"
7,000,000 Class "C"
15,000,000 Class "D"

Class "A" and "D" shares are interconvertible, and Class "B" and "C" shares are interconvertible on a one for one basis.

The holders of Class "A" and "D" common shares are entitled, voting separately and as a class, to elect three members of the board of directors annually. The Class "B" and "C" shares are fully voting.

Class "A" and "D" shares are entitled to a non-cumulative preferential dividend of 20¢ per share per annum. After the Class "B" and "C" shares receive dividends of 20¢ per annum, all shares rank equally as to dividends.

Dividends on Class "C" and "D" shares may be paid in cash out of tax paid undistributed surplus on hand, or out of 1971 capital surplus on hand as defined in the Income Tax Act.

	1974 Shares	1974 Amount	1973 Shares	1973 Amount
Issued and outstanding:				
Class "A"	8,295,000	$37,964,000	8,424,000	$38,155,000
Class "B"	4,094,000	7,223,000	4,073,000	7,150,000
Class "C"	990,000	1,386,000	1,008,000	1,397,000
Class "D"	288,000	1,316,000	132,000	603,000
	13,667,000	$47,889,000	13,637,000	$47,305,000

During the year, the following shares were issued:

	1974 Shares	1974 Amount	1973 Shares	1973 Amount
Class "A"				
On conversion of debentures	16,000	$343,000	56,000	$1,199,000
On exercise of options by employees for cash	11,000	179,000	32,000	467,000
Other			1,000	17,000
Class "B"				
On exercise of options by employees for cash	3,000	62,000	17,000	267,000
	30,000	$584,000	106,000	$1,950,000

During the year, the following shares were converted between the classes:

	1974	1973
Class "A" to Class "D"	203,000	134,000
Class "D" to Class "A"	47,000	2,000
Class "B" to Class "C"	38,000	50,000
Class "C" to Class "B"	56,000	126,000
Class "C" to Class "A"	—	106,000

Stock options

Options to employees to purchase shares before August 14, 1976 were outstanding as follows:

	1974		1973	
	Option Price	Shares	Option Price	Shares
Class "A"	\$10.75 to \$22.31	16,000	\$10.75 to \$22.31	30,000
Class "B"	\$21.56	10,000	\$20.00 to \$21.56	15,000
		26,000		45,000

Convertible debentures

Holders of the 5¼% debentures of a subsidiary may convert these debentures on or before May 1, 1979 into Class "A" shares on the basis of 47 shares for each \$1,000 debenture. At March 31, 1974, 129,000 Class "A" shares have been reserved for this purpose. (1973 – 145,000 shares).

9. Pension plan

Current service pension costs have been provided in accordance with actuarial determination. Past service costs are being funded over varying terms averaging 20 years. The unfunded liability for past service pension costs amounts to \$11,700,000 at March 31, 1974 (1973 – \$5,100,000).

10. Lease commitments

Lease commitments expire within thirty years and require payments during the next five fiscal years as follows:
1975 – \$5,900,000; 1976 – \$5,800,000; 1977 – \$5,500,000; 1978 – \$5,300,000; 1979 – \$5,100,000.

11. Remuneration of directors and officers

	1974	1973
Directors:		
Number	16	16
Aggregate remuneration	\$71,000	\$61,000
Officers:		
Number	20	17
Aggregate remuneration	\$1,109,000	\$989,000
Number of officers who are also directors	5	5

12. Extraordinary items

The net gain resulted from disposals of businesses and is after an income tax recovery of \$911,000 (1973 – income tax expense of \$568,000).

13. Classes of business

The following are the proportions of consolidated sales by class of business:

	1974	1973
	%	%
Brewing	48	50
Retail merchandising	28	25
Office and educational products	10	9
Home furniture	2	2
Construction products and services	7	8
Warehousing and distribution services	2	2
Petroleum marketing equipment	3	4

14. Pending legal proceedings

The company and others are defendants in a lawsuit in the United States in connection with the company's offer made in 1968 to acquire the common shares of Anthes Imperial Limited. Damages claimed are approximately U.S. \$2,500,000. In the opinion of the company's United States legal counsel, upon the basis of the facts and law now known to them, this lawsuit is without merit.

Operating and Financial Record

The Molson Companies Limited

Significant changes took place in the composition of our businesses in the past five years. The effect of these changes is reflected in the charts to the right which show sales by business this year, compared to 1970.

1974 SALES BY BUSINESS ($ millions)

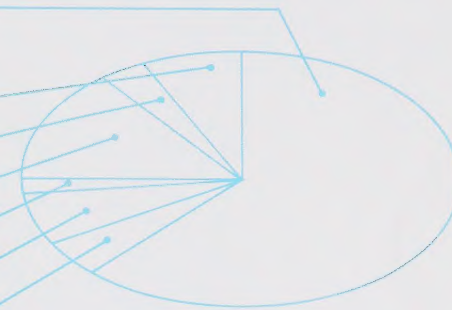
Dollars in thousands except amounts per share	1974	1973	1972	1971
Sales	$616,162	$522,238	$376,040	$314,692
Earnings before income taxes	37,744	42,912	33,501	28,994
Income taxes	15,625	20,600	16,500	15,000
Net earnings	21,928	22,022	16,725	12,627
Cash flow	37,699	33,245	25,625	21,919
Dividends	10,915	10,878	8,937	8,183
Net earnings per share	1.60	1.62	1.40	1.11
Dividends per share	.80	.80	.72	.72
Shareholders' equity per share	10.98	10.18	9.29	8.67
Depreciation	11,552	9,929	8,440	7,139
Net additions to fixed assets	21,365	22,581	*36,865	10,543
Working capital	104,297	72,338	72,162	38,984
Total assets	345,316	285,138	248,803	169,471
Long-term debt	79,656	51,249	51,047	17,797
Number of shares outstanding (thousands)	13,667	13,637	13,530	11,374
Number of shareholders	14,134	13,988	15,016	13,700
Number of employees	10,928	10,455	9,210	6,674

Dividends per share record the dividend rate of The Molson Companies Limited. All other data for 1968 and prior years has been restated to reflect the consolidation of Anthes Imperial Limited on a pooling of interest basis.

The number of common shares outstanding has been restated to reflect the subdivision of shares in 1966 and the issue of shares in exchange for those of Anthes Imperial Limited in 1968.
*Includes $25,399,000 net fixed assets of acquired subsidiaries.

1970 SALES BY BUSINESS ($ millions)

48%	$296.2	Brewing	$192.7	62%
28%	$174.6	Retail Merchandising	—	—
10%	$ 56.3	Office and Educational Products	$ 22.9	7%
2%	$ 14.2	Home Furniture	$ 8.0	3%
7%	$ 41.8	Construction Products and Services	$ 46.3	15%
2%	$ 14.6	Warehousing and Distribution Services	$ 3.7	1%
3%	$ 18.4	Petroleum Marketing Equipment	$ 23.3	7%
		Other Businesses	$ 15.8	5%
100%	$616.1		$312.7	100%



1970	1969	1968	1967	1966	1965
$312,750	$295,575	$275,354	$244,709	$216,812	$210,233
28,329	30,672	35,689	32,177	29,018	26,667
14,700	15,000	17,200	15,777	14,123	12,672
12,173	15,073	15,986	14,455	12,133	10,931
19,162	22,257	22,949	20,519	18,753	17,938
8,195	7,874	6,979	6,139	5,234	4,930
1.07	1.33	1.41	1.28	1.11	1.01
.72	.72	.72	.64	.55	.55
8.41	8.46	8.02	7.30	6.59	5.90
6,804	6,682	6,007	5,579	6,056	6,483
11,796	10,525	10,748	7,585	5,591	5,002
32,353	45,636	44,098	39,947	34,102	24,993
164,196	150,691	151,024	132,954	119,616	115,220
10,654	11,128	11,357	10,187	10,671	20,583
11,362	11,346	11,329	11,263	10,935	10,868
13,166	13,252				
7,360	7,500				

The Molson Companies Limited

Brewing Group

Molson Breweries of Canada Limited
1555 Notre Dame St. E.
Montreal, Quebec

P.B. Stewart, President
C.R. Cook, Vice President, Finance & Controller
R.J.D. Martin, Vice President, Production
N.M. Seagram, Vice President, Planning & Personnel
J.R. Taylor, Vice President, Marketing

Newfoundland Brewery Limited
St. John's, Newfoundland
G.M. Winter, President

India Beer, Molson Canadian Lager Beer, Molson Export Ale, I.P.A. Malt Liquor

Molson's Brewery Quebec Limited
Montreal, Quebec
J.P. Rogers, President

Molson Export Ale, Laurentide Ale, Brador Malt Liquor, Molson Canadian Lager Beer, Molson Golden Ale, Molson Cream Porter

Molson's Brewery (Ontario) Limited
Toronto, Ontario
E.H. Molson, President

Molson Export Ale, Molson Canadian Lager Beer, Molson Golden Ale, Molson Stock Ale, Molson Cream Porter, Molson Festival Lager Beer

Molson's Western Breweries Limited
Calgary, Alberta
H.H. Brace, President

British Columbia Region
T.H. English, President

Molson Brewery B.C. Ltd.
Vancouver, B.C.

Old Style Beer, Molson Canadian Lager Beer, Molson Export Ale, Frontier Malt Liquor

Alberta Region
T.M. Sterling, Vice President & General Manager

Sicks' Lethbridge Brewery Limited
Lethbridge, Alberta

Lethbridge Pilsner Beer, Lethbridge Lager Beer, Lethbridge Royal Stout

Molson Brewery Alberta Ltd.
Edmonton, Alberta

Molson Canadian Lager Beer, Edmonton Export Lager Beer, Molson Golden Lager Beer, Molson Export Ale, Lethbridge Malt Liquor

Saskatchewan Region
O.F. Bales, Vice President & General Manager

Molson Brewery Saskatchewan Ltd.
Regina and Prince Albert, Sask.

Bohemian Lager Beer, Pilsner Beer, Molson Canadian Lager Beer, Molson Golden Lager Beer, Molson Export Ale, Royal Stout, Imperial Stout

Manitoba Region
R.F.J. Deeb, Vice President & General Manager

Molson Brewery Manitoba Ltd.
Winnipeg, Manitoba

Molson Canadian Lager Beer, Frontier Beer, Molson Export Ale, Frontier Stout

Commercial Products

2 International Boulevard, Toronto, Ontario
J.P.G. Kemp, Senior Vice President
G.C. Berry, Vice President, Office & Education Products

Anthes Business Forms Limited
Brampton, Ontario
K.L. Gallinger, Vice President & General Manager

Business system forms and supplies

Plants: Brampton and Mimico, Ontario

Willson Business Services Limited
Winnipeg, Manitoba
R.L. Garver, President

Distributor and retailer of office supplies, furniture and accessories

35 Retail Stores, 14 Distribution Centres

Office Specialty Inc., Mississauga, Ontario
L.J. Craddock, Vice President & General Manager

Office furniture, accessories and office planning services

Plant: Holland Landing, Ontario

Moyer Vico Limited, Toronto, Ontario
D.W. Gray, President

Educational products

Plants: Holland Landing and Don Mills, Ontario; Farnham and Waterloo, Quebec

Petroleum Marketing

Bennett Pump Company, Muskegon, Michigan
P.M. Turner, President

E.L. Prentice, Vice President
European Operations, London, England

Manufacturer and distributor of standard and self-serve gasoline pumps and other service station equipment

Plants: Muskegon and Hart, Mich.; Streatham Vale, London, England; Bridgend, Glamorgan, South Wales, U.K.; Milan, Italy; Wellington, New Zealand

nd Services Group

J.F. Barrett, Director, Planning
W. Bogle, Director, Personnel
B.F. Boardman, Controller

Vilas Industries Limited, Cowansville, Quebec
G.L. Townsend, Vice President & General Manager

Colonial and contemporary furniture, hardwood and upholstered

Plants: Cowansville, Montreal, and Thurso, Quebec

Deluxe Upholstering Limited, Waterloo, Ontario
D.W. Eby, Vice President & General Manager

La-Z-Boy reclining and upholstered chairs

Plants: Waterloo and Elmira, Ontario

Seaway/Midwest Ltd., Dorval, Quebec
R. Goldsmith, President

Warehousing and distribution services

Facilities: St. John's, Moncton, Montreal, Toronto, Winnipeg, Calgary, Edmonton, Vancouver

John Wood Company Limited, Toronto, Ontario
W.A. Farnell, Vice President & General Manager

Water heaters and tanks, Bennett gasoline pumps, oil burners, steel boilers, Penberthy products

Plants: Toronto and St. Catharines Ont.

Anthes Equipment Limited, Mississauga, Ontario
P.M. Duynstee, Vice President & General Manager

Scaffolding, safety fence, shoring, swing stages and other construction products

Branches: Halifax, Quebec, Montreal, Ottawa, Toronto, Hamilton, London, Winnipeg, Edmonton, Calgary, Vancouver.

quipment Division

Beck & Co. (Meters) Limited, London, England and Wellington, New Zealand

R. Eccles, Managing Director

Tuscan Engineering Company Limited
Bridgend, South Wales, U.K.

E. Powell, Managing Director

Bennett Italiana S.p.A., Milan, Italy

Dr. Uberto Beretta, Managing Director

Retail Merchandising Group

Beaver Lumber Company Limited
Head Office: 120 Fort Street
Winnipeg, Manitoba

Executive Office:

1155 Leslie Street
Toronto, Ontario
David Lakie, President
K.A. Mitchell, Senior Vice President, Planning & Development
R.J. Guiney, Vice President, Merchandising
A.L. Keyworth, Vice President, Store Operations
J.M. Henderson, Controller
R.F. Knowles, Director, Personnel

Retail Store Departments: Lumber and building materials; home decorations; floor coverings; hardware; plumbing and electrical supplies and fixtures; paints and wallpaper; power and hand tools; housewares; appliances; lawn and garden supplies
Total retail stores in operation: Beaver 225, Saveway 25, Aikenhead 11

Beaver British Columbia Division
Vancouver, B.C.
W.J. Mann
General Manager
12 Retail Outlets in B.C. and the Yukon

Beaver Western Division
Winnipeg, Manitoba
A.G. Gemmell
Vice President & General Manager

124 Retail Outlets in Manitoba, Saskatchewan and Alberta.

Beaver Ontario Division
Toronto, Ontario
D.K. Wilson
General Manager

84 Retail Outlets in Ontario
11 Aikenhead Retail Outlets in Metropolitan Toronto

Beaver Eastern Division
Montreal, Quebec
P. Monchamp
General Manager

5 Retail Outlets in Eastern Ontario and Quebec.

Saveway Building Supplies Division
Toronto, Ontario
Lane Van Geest
General Manager

25 Retail Outlets in Quebec, Ontario, Manitoba, Saskatchewan and B.C.

Beaver Homes Division
Winnipeg, Manitoba
R.G. Lothian
General Manager

Manufactured homes and cottages.

Plants: Milton, Ont., Saskatoon and Yorkton, Sask., Edmonton, Alta., Vancouver, B.C.

Aikenhead Hardware Division
Toronto, Ontario
J.M. Aikenhead
President

Serves industrial and contractor accounts with industrial supplies and architectural hardware

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